Domain Name Commission Limited

Financial Statements for the year ended 31 March 2026

Contents

Domain Name Commission Limited
Statement of Comprehensive Revenue and Expense

For the year ended 31 March 2026

	Notes	2026 $	2025 $
OPERATING ACTIVITIES			
Exchange revenue			
Authorisation Fees		3,000	12,000
DRS Complaint Fees		-	16,000
Management Fees		1,699,500	1,650,000
Other Income		-	800
Total Exchange Revenue		1,702,500	1,678,800
Total Operating Revenue		1,702,500	1,678,800
Operating expenses			
Audit Fees		12,000	12,450
Board Expenses		11,382	9,532
Communications		59,302	56,915
Compliance		42,286	101,091
Depreciation	9	2,943	3,253
Amortisation	10	62,336	61,824
Directors Fees	13	35,470	35,436
Disputes Resolution Service		88,875	71,775
Moderators		15,000	15,861
DNC Registrar Activities		9,175	9,175
International Memberships and Conferences		33,144	74,332
Legal Expenses		207,221	105,734
Office and Administration		365,153	365,841
Personnel and Staff	12	887,092	785,271
Projects		2,500	9,900
Total Operating Expenses		1,833,879	1,718,390
Surplus/(Deficit) from Operating Activities		(131,379)	(39,590)
INVESTING ACTIVITIES			
Interest Income on Term Deposits		35,695	39,830
Surplus/(Deficit) from Investing Activity		35,695	39,830
SURPLUS/(DEFICIT) FOR THE YEAR		(95,684)	240
Other Comprehensive Revenue/(Expenses)		-	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSES FOR THE YEAR		(95,684)	240

Domain Name Commission Limited
Statement of Financial Position

As at 31 March 2026

	Notes	2026	2025
		$	$
ASSETS			
Current			
Cash and Cash Equivalents	6	218,499	303,186
Other Financial Assets	7	790,994	751,674
Trade Debtors and Other Receivables	8	31,035	40,982
Total Current Assets		1,040,528	1,095,842
Non-Current			
Property, Plant and Equipment	9	8,858	5,385
Intangible Assets	10	30,228	90,216
Total Non-Current Assets		39,086	95,601
TOTAL ASSETS		1,079,614	1,191,443
LIABILITIES			
Current			
Trade Creditors and Other Payables	11	145,367	184,322
Employee Entitlements		63,842	41,032
Total Current Liabilities		209,209	225,354
TOTAL LIABILITIES		209,209	225,354
NET ASSETS		870,405	966,089
EQUITY			
Share Capital		580,000	580,000
Accumulated Funds		290,405	386,089
TOTAL EQUITY		870,405	966,089

Domain Name Commission Limited
Statement of Changes in Net Assets

For the year ended 31 March 2026

	2026 $	2025 $
SHARE CAPITAL		
Opening Balance	580,000	580,000
CLOSING BALANCE SHARE CAPITAL	580,000	580,000
ACCUMULATED FUNDS		
Opening Balance	386,089	385,846
Surplus/(Deficit) for the Year	(95,684)	240
Rounding Adjustment	-	3
Other Comprehensive Revenue and Expense	-	-
Total Comprehensive Revenue and Expense	(95,684)	243
CLOSING BALANCE ACCUMULATED FUNDS	290,405	386,089
TOTAL EQUITY	870,405	966,089

Domain Name Commission Limited
Statement of Cash Flows

For the year ended 31 March 2026

	Notes	2026 $	2025 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Surplus/ Deficit		(95,684)	240
Add Back Non-Cash Expenses			
Depreciation & Amortisation		65,279	65,077
Adjust for Movement in Working Capital			
Increase/Decrease in Trade and other Receivables		9,947	15,949
Increase/Decrease in Trade and other Payables		(16,145)	95,115
Net Cash Inflow/(Outflow) from Operating Activities		(36,603)	176,380
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(8,764)	(869)
Cash Receipts from Sale of Investments/Long Term Assets		(39,320)	(42,688)
Net Cash Inflow/(Outflow) from Investing Activities		(48,084)	(43,556)
Net Increase/(Decrease) in Cash		(84,687)	132,824
Opening Cash as at the Beginning of the Year	6	303,186	170,362
Closing Cash as at the end of the Year		218,499	303,186
Net Increase/(Decrease) in Cash		(84,687)	132,824

These financial statements have been authorised for issue by the Board:

Mel Hewitson — 25 Jun 2026

Director — **Date**

Vivien Maidaborn — 25 Jun 2026

Director — **Date**

These financial statements should be read in conjunction with the notes to the financial statements.

Domain Name Commission Limited
Notes to the Financial Statements

For the year ended 31 March 2026

1. Reporting Entity

These financial statements comprise the financial statements of Domain Name Commission Limited (the 'Company') for the year ended 31 March 2026

The principal activity of the Company is to manage the .nz domain name space and to protect the interests and rights of everyone involved in using it.

The Company is a Public Benefit Entity (PBE) as its primary objective is to provide goods or services to the community for social benefit rather than for a financial return.

2. Basis of Preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP). They comply with public benefit entity international public sector accounting standards (PBE IPSAS) and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for public sector entities. For the Purpose of complying with NZ GAAP, the board is a public benefit public sector entity and is eligible to Tier 2 public sector PBE IPSAS on the basis that it does not have public accountability and is not defined as large.

The Board has elected to report in accordance with Tier 2 public sector PBE accounting standards apart from note 15 and, in doing so, has taken advantage of all applicable reduced disclosure regime (RDR) disclosure concessions.

(b) Basis of Measurement

The financial statements have been prepared on a historical costs basis.

The accrual basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

(c) Presentation Currency

The financial statements are presented in New Zealand dollars.

All numbers are rounded to the nearest dollar ($), except when otherwise stated.

(d) Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year.

3. Summary of significant accounting policies

The accounting policies of the Company have been applied consistently to all years presented in these financial statements.

(a) Property, plant and equipment

Items of property, plant and equipment are measured at cost, less accumulated depreciation and any impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Additions and subsequent costs

Subsequent costs and the cost of replacing part of an item of property, plant and equipment are recognised as an asset if, and only if, it is probable that future economic benefits or service potential will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value at the acquisition date.

All repairs and maintenance expenditure is charged to surplus or deficit in the year in which the expense is incurred.

Disposals

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use. When an item of property, plant or equipment is disposed of, the gain or loss recognised in the surplus or deficit is calculated as the difference between the net sale proceeds and the carrying amount of the asset.

Depreciation

Depreciation is recognised as an expense in the reported surplus or deficit and measured on a straight line (SL) basis on all property, plant and equipment over the estimated useful life of the asset. The following depreciation rates have been applied:

Office equipment	13% - 41%	SL

The residual value, useful life, and depreciation methods of property, plant and equipment are reassessed annually.

(b) Intangible assets

Intangible assets acquired separately are initially recognised at cost.

The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange.

Intangible assets acquired by the Company, that have finite useful lives, are measured at cost less accumulated amortisation and any impairment losses.

Intangible assets are amortised using the straight line method of amortisation using the following amortisation rates:

Software	10% - 100%	SL

Residual values and useful lives are assessed at each reporting date.

Disposals

Gains or losses on derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in the surplus or deficit for the year.

(c) Leased assets

Leases, where the Company assumes substantially all the risks and rewards incidental to ownership of the leased assets, are classified as finance leases. All other leases are classified as operating leases.

Lease payments on finance leases are apportioned between finance charges and the reduction of the lease obligation so as to achieve a constant rate of interest (the effective interest rate) on the remaining balance of the liability. Finance charges are charged directly against the surplus or deficit, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs.

Payments made under operating leases are recognised in the surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Associated costs, such as maintenance and insurance, are expensed as incurred.

(d) Provisions

A provision is recognised for a liability when the settlement amount or timing is uncertain, when there is a present legal or constructive obligation as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate of the potential settlement can be made. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material. The increase in the provision due to the passage of time is recognised as an interest expense.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

(e) Employee entitlements

Employee benefits, previously earned from past services, that the Company expects to be settled within 12 months of the reporting date, are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to the reporting date and annual leave earned, but not yet taken, at the reporting date.

(f) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In this case recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. An asset's or CGU's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use.

Where the carrying amount of an asset or the CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised immediately in surplus or deficit.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in surplus or deficit.

(g) Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments.

The Company derecognises a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either;

- the Company has transferred substantially all the risks and rewards of the asset; or
- the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial assets

Financial assets within the scope of the PBE IPSAS 41 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, fair value through other comprehensive revenue and expenses or amortised cost. The classifications of the financial assets are determined at initial recognition.

The Company classifies its financial assets as financial assets at amortised cost.

Amortised cost

Financial assets are classified in this category if they are held in order to collect their contractual cash flows, and their contractual cash flows are solely payments of principal and interest.

The Company's financial assets carried at amortised cost are cash and cash equivalents, short term investments, investments and receivables from exchange transactions.

Financial assets carried at amortised cost are initially recognised at fair value plus directly attributable transaction costs and are thereafter carried at amortised cost using the effective interest method, less provision for impairment.

Impairment of financial assets

The provision for impairment of receivables is determined by applying a simplified approach to measuring expected credit losses, which calculates a lifetime expected loss allowance. To measure expected credit losses, receivables are grouped based on shared credit risk characteristics and days past due. An expected loss rate is then applied to each of these groups; these loss rates are based on historical loss rates, adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of counterparties to settle receivables. Impairment on receivables is recognised in a separate provision account, with the loss being recognised in surplus or deficit. On confirmation that a receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The entity assesses at the end of reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Impairment provisions for other financial assets are recognised based on a forward looking expected credit loss model.

The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those financial assets where the credit risk has not increased significantly since initial recognition, twelve month expected credit losses, along with gross interest income, are recognised. For those financial assets for which credit risk has increased significantly, lifetime expected credit losses, along with gross interest income, are recognised. For those financial assets that are determined to be credit impaired, lifetime expected credit losses, along with interest income on a net basis, are recognised.

Financial Liabilities

The Company's financial liabilities include trade and other creditors (excluding GST and PAYE) and employee entitlements.

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method. The entity holds no financial liabilities at fair value through surplus or deficit.

(h) Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and revenue can be reliably measured. Revenue is measured at the fair value of consideration received.

The Company assesses its revenue arrangements against specific criteria to determine if it is acting as the principal or agent in a revenue transaction. In an agency relationship, only the portion of revenue earned on the Company’s own account is recognised as gross revenue in the Statement of Comprehensive Revenue and Expense.

The following specific recognition criteria must be met before revenue is recognised:

Rendering of services

Revenue from services rendered is recognised in the accounting periods in which the services are provided.

Interest income

Interest income is recognised as it is earned.

(i) Expenses

Expenses are recognised in the accounting period in which the services or goods are received.

(j) Income tax

Due to its charitable status, the Company is exempt from income tax.

(k) Goods and Services Tax (GST)

All amounts in these financial statements are shown exclusive of GST, except for receivables and payables that are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the Inland Revenue (IR) is included as part of receivables or payables in the Statement of Financial Position.

4. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with PBE standard requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Where material, information on significant judgements, estimates and assumptions is provided in the relevant accounting policy or provided in the relevant note disclosure.

The estimates and underlying assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Estimates are subject to ongoing review and actual results may differ from these estimates. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in future years affected.

5. Capital management policy

The Company's capital is its equity, being the net assets represented by retained earnings and other equity reserves. The primary objectives of the Company's capital management policy is to ensure adequate capital reserves are maintained in order to support its activities. The Company manages its capital structure and makes adjustment to it, in light of changes to funding requirements. To maintain or adjust the capital structure, budgetary discretionary expenditure is reduced to avoid the need for external borrowings.

6. Cash and cash equivalents

	2026 $	2025 $
Cash at bank and on hand	218,499	303,186
Cash and cash equivalents	218,499	303,186

The carrying amount of cash and cash equivalents approximates their fair value.

Cash at bank earns interest at floating rates on daily deposit balances.

7. Other financial assets

	2026 $	2025 $
Term Deposit	790,994	751,674
Total other financial assets	790,994	751,674

8. Trade debtors and other receivables

	2026 $	2025 $
Accounts Receivable	-	62
Prepayment	17,058	23,195
Term Deposit	13,977	17,725
Total trade and other receivables	31,035	40,982

Trade debtors and other receivables are non-interest bearing and receipt is normally on 30 days terms. Therefore the carrying value of trade debtors and other receivables approximates its fair value.

9. Property, plant and equipment

Movements for each class of property, plant and equipment are as follows:

2026	**Office Equipment $**	**Total $**
Gross carrying amount		
Opening balance	75,686	75,686
Additions	6,416	6,416
Disposals	(54,097)	(54,097)
Closing balance	28,005	28,005
Accumulated depreciation and impairment		
Opening balance	70,301	70,301
Depreciation for the year	2,943	2,943
Impairment charge for the year	-	-
Depreciation written back on disposal	(54,097)	(54,097)
Closing balance	19,147	19,147
Carrying amount 31 March 2026	8,858	8,858

2025	Office Equipment $	Total $
Gross carrying amount		
Opening balance	74,817	74,817
Additions	869	869
Disposals	-	-
Closing balance	75,686	75,686
Accumulated depreciation and impairment		
Opening balance	67,048	67,048
Depreciation for the year	3,253	3,253
Impairment charge for the year	-	-
Depreciation written back on disposal	-	-
Closing balance	70,301	70,301
Carrying amount 31 March 2025	5,385	5,385

Capital commitments

As at balance date the Company had no capital commitments (2025: None).

10. Intangible assets

Movements for each class of intangible assets are as follows:

2026	Software $	Total $
Gross carrying amount		
Opening balance	296,112	296,112
Additions	2,347	2,347
Disposals	-	-
Closing balance	298,459	298,459
Accumulated depreciation and impairment		
Opening balance	205,895	205,895
Amortisation for the year	62,336	62,336
Impairment charge for the year	-	-
Depreciation written back on disposal	-	-
Closing balance	268,231	268,231
Carrying amount 31 March 2026	30,228	30,228

2025	Software $	Total $
Gross carrying amount		
Opening balance	296,112	296,112
Additions	-	-
Disposals	-	-
Closing balance	296,112	296,112
Accumulated depreciation and impairment		
Opening balance	144,072	144,072
Amortisation for the year	61,824	61,824
Impairment charge for the year	-	-
Depreciation written back on disposal	-	-
Closing balance	205,896	205,896
Carrying amount 31 March 2025	90,216	90,216

11. Trade creditors and other payables

	2026 $	2025 $
Accounts payable	128,682	180,087
GST payable	16,685	4,235
Total trade and other payables	145,367	184,322

12. Personnel and staff expenses

	2026 $	2025 $
Salaries and wages	817,607	750,185
Other employment expenses	46,675	34,856
Increase (decrease) in personnel and staff expenses	22,810	230
Total employee remuneration and expenses	887,092	785,271

During the year there was three employees received remuneration greater than $100,000 (2025:Three Employees).

13. Related party transactions

Related party transactions arise when an entity or person(s) has the ability to significantly influence the financial and operating policies of the Company.

The Company has a related party relationship with any company under common control and its Key Management Personnel.

The Company received management fees of $1,699,500 (2025: $1,650,000) from InternetNZ.

The Company paid administration fees of $304,417 (2025: $311,886) to InternetNZ.

The Company has trade debtors of $0 (2025: $0) owing from InternetNZ.

The Company has trade creditors of $18,355 (2025: $2,956) owing to InternetNZ.

The Company paid directors' fees of $35,470 (2025: $35,436).

Key management compensation

The Company have a related party relationship with its key management personnel. Key management personnel include directors and executive officers.

Key management personnel compensation includes the following expenses:

	2026 $	2025 $
Directors' fees, key management salaries and other short term benefits	269,063	257,010
Total remuneration	269,063	257,010
Number of persons recognised as key management personnel	4	4

14. Financial instruments

(a) Carrying value of financial instruments

The carrying amounts of all material financial assets and liabilities are considered to be equivalent to fair value.

Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction.

(b) Classification of financial instruments

All financial assets held by the Company classified as "loans and receivables" are carried at cost less accumulated impairment losses.

All financial liabilities held by the Company are carried at amortised cost using the effective interest rate method.

	2026 $	2025 $
Financial assets (amortised cost)		
Cash and cash equivalents	218,499	303,186
Term deposits	790,994	751,674
Trade debtors	31,035	40,982
Total financial assets	1,040,528	1,095,842
Financial liabilities (amortised cost)		
Trade creditors	145,367	184,322
Employee entitlement	63,842	41,032
Total financial liabilities	209,209	225,354

15. Contingent assets and contingent liabilities

The Company has no contingent assets or contingent liabilities (2025: None).

16. Events after the reporting period

There were no significant events after the balance date (2025: None).

Domain Name Commission Ltd Statement of Service Performance

For the year ended 31 March 2026

Contents

Who we are

The Domain Name Commission Limited (DNC) regulates the .nz domain name space. Certain functions and powers are vested in us under the .nz Rules. These relate to the oversight and enforcement of the .nz Rules, the accreditation of registrars, and the provision of a dispute resolution service (among other things).

We have been appointed by InternetNZ | Ipurangi Aotearoa to manage aspects of the .nz domain name space. The terms and conditions under which those functions and powers are performed are set out in the Operating Agreement between the two parties.

As of 31 March 2026, the .nz domain name space had approximately 765,094 domain names and 71 registrars.

Our purpose

Domain names are essential for any individual or organisation seeking to maintain an effective digital presence. It is important that Aotearoa New Zealand has a trusted and secure system for the registration and renewal of .nz domain names, that registrars have and maintain the requisite skills, resourcing, and capability to ensure the ongoing availability of services, and that abuse that exploits the domain name system for malicious purposes is disrupted.

Our purpose is to be a fair, independent, and accessible regulator that provides trusted oversight of the .nz domain name space and an excellent dispute resolution service.

Our core functions and capabilities

Registrar authorisation	Customer services	Dispute Resolution Service	Ensure a competitive .nz
Education & guidance	Monitoring & compliance	Investigations & enforcement	Reporting
People		Systems	
Te Tiriti o Waitangi centered throughout all we do			

Our strategic priorities for 2025–26

1. Centering Te Tiriti o Waitangi throughout all we do.
2. Strengthening the home of .nz to reflect the importance of the .nz critical infrastructure for Aotearoa.
3. Effectively regulating the .nz domain name space.

Our five goals for 2025–26

Goal one: A thriving and trusted .nz domain, actively influencing good global Internet governance.	
Success measures	Outcome
Contribute to the development of a DNS Abuse Strategy to disrupt abuse in the .nz domain name space.	Achieved. A DNS Abuse Strategy was endorsed by the DNC Board and, on 13 March 2026, approved in principle by the InternetNZ Board.
Ongoing development of the registration check tool.	Achieved. Initial project scoping with key stakeholders was completed. The project will continue in FY 2026–27 under the new DNS Abuse Strategy and InternetNZ Group Strategy 2026-31.
A successful .nz registrar summit is delivered.	Achieved. This was held in Ōtautahi, Christchurch, on 25–26 September. 20 registrar companies attended, collectively representing 87% of the .nz domain name space.
Two Registrar Advisory Group meetings completed.	Achieved.
New form Authorisation Agreement is approved by the DNC Board.	Achieved.
The Commissioner contributes as part of the Country Code Support Names Organisation's (ccNSO) DNS Abuse Standing Committee (DASC) and attends relevant conferences and industry forums. Our team members attend relevant industry conference sessions for learning and development.	Achieved.

Goal two: We increase the resilience of our business model in a rapidly changing environment.	
Success measures	Outcome
Develop a Monitoring Plan for FY 2026–27.	Achieved. DNC's Monitoring Plan for 2026–27 has been developed and published on our website in April 2026.
Thematic Survey of Registrars to assess the current state of their DNS infrastructure.	Not achieved.
Develop a .nz Regulatory and Compliance Approach and publish on the DNC's website.	Achieved. The DNC Board approved our .nz Regulatory and Compliance Approach, and it was published on our website in August 2025.

Goal three: Centering Te Tiriti o Waitangi throughout all that we do.	
Success measures	Outcome
DNC contributes to the development of the Ngā Pae Vision Statement for InternetNZ Group approval.	Achieved.
DNC has a name in Te Reo Māori that conveys our role and work.	Achieved.
The DNC team participates in Māori cultural capability training, workshops, and initiatives as part of InternetNZ Group-led activities.	Achieved.
DNC support Kauwaka 2025, a hui for Māori working in Internet and digital spaces.	Achieved.

Goal four: InternetNZ Group has a clear purpose and values that drive our long-term strategy.	
Success measure	Outcome
Jointly with InternetNZ, develop the InternetNZ Group Strategy 2026–2031 for DNC Board and InternetNZ Board approval.	Achieved.

Goal five: Community, partnership, collaboration and investment. Supporting shared community outcomes and value for an Internet that benefits all of Aotearoa.	
Success measure	Outcome
Carry out oversight of NZDRC's administration of the .nz Dispute Resolution Scheme and fund mediations.	Achieved.

Goals not met and explanatory disclosures

During the reporting period, we were unable to complete one deliverable as planned. We didn't have the capacity to undertake a Thematic Survey of Registrars. This will be completed as part of the Monitoring Plan for 2026–27.

Customer services

Central to our mission of promoting and protecting the rights of domain name holders is a strong commitment to providing excellent customer service and efficient enquiry resolution.

We operate an accessible customer service function, responding to enquiries and requests for assistance across multiple channels: by email, phone, and our dedicated website, which includes a chatbot.

We receive a wide range of enquiries throughout the year, including requests for support with managing domain name issues, questions relating to the rights of domain name holders, and enquiries about suspected malicious domain names.

We aim to resolve each enquiry in a fair and timely manner, prioritising those enquiries that may impact the ability to use a domain name.

Measure of success

We respond to at least 80% of initial email enquiries within 48 hours.

We maintain or improve our average customer rating score year on year. All customers are invited to provide feedback once their enquiry is resolved. This feedback is collected via an automated email generated by our ticketing system.

Outcome

This year, we saw a reduction in email enquiries with 391 fewer than last year. Of initial enquiries, 68.6% were responded to within 48 hours, compared to 86% the previous year.

We did not achieve at least 80% this year, due to increased complexity of enquiries, as well as an increase in phone calls (up 604 from last year) and audits (up 1,099 from last year), which stretched our available capacity.

This year we achieved an average rating of 4 out of 5 stars which is similar to last year's average of 3.9.

Table 1: Customer service		
Activity	FY 2024–25	FY 2025–26
Email enquiries received	1,241	850
Number responded to within 48 hours	1,067 (86%)	583 (68.6%)
Inbound phone calls	1,393	1,997
Customer ratings on closing email enquiries	Avg rating of 3.9/5 stars (95 surveys)	Avg rating of 4/5 stars (33 surveys)

.nz Dispute Resolution Scheme

Disagreements can sometimes arise over who has the right to hold a specific .nz domain name. The .nz Dispute Resolution Scheme (DRS) is intended to be a low-cost, quicker alternative to litigation, incorporating free mediation, self-funded expert determination, and the option for appeal.

The New Zealand Dispute Resolution Centre (NZDRC) has been administering the DRS on our behalf since 1 October 2024.

Measure of success

Expert determinations are issued, on average, within 45 days of the complainant paying the fee.

We fund the cost of the mediator's fee if both parties engage in the mediation process and a mediator is appointed.

We fund the cost of tikanga-based cultural support if requested by a party to a dispute.

Outcome

This year, expert determinations were issued on average within 28 days of the complainant paying the fee, well within the 45-day timeframe. This reduction is due to improved guidance and templates developed by NZDRC for both claimants and experts, resulting in better quality applications and a clear, consistent template structure for experts to draft their determinations.

We funded seven mediations this year, and no requests were received for a fully accredited tikanga mediator.

Table 2: .nz Dispute Resolution Scheme		
Activity	FY 2024–25	FY 2025–26
Mediation claims filed	6	22
Mediator appointed	0	7
Mediation resulted in a settlement	n/a	1
Expert claims filed	13	16
Expert appointed	7	13
Expert determination outcomes	7 transfers 0 dismissed	16 transfers 1 dismissed
Average time from payment to determination issued	32 days	28 days
Tikanga-based cultural support provided	0	0

Monitoring and compliance

We are required to monitor compliance with and enforce the .nz Rules. In August 2025, we published our .nz Regulatory and Compliance Approach on our website, which is the foundational strategy, approved by our Board, to guide the delivery of our regulatory functions. We also developed our Monitoring Plan for FY 2026–27 and published it on our website. Our monitoring activities generally fall into one of four broad categories: reactive, thematic, planned, and reporting. Our monitoring focus to date has been on reactive and planned monitoring.

Measure of success

Through our registration check tool, we proactively identify samples of potentially suspicious .nz domain name registrations for auditing and suspend domain names that fail any audits.

We audit domain names referred by third parties unless an exception applies.

Through our Internet Watch Foundation (IWF) membership and referrals, we continue to work with key stakeholders to disrupt child sexual abuse material (CSAM) that may be associated with .nz domain names.

Outcome

We have met the success measures by completing 1,905[1] audits. This was made up of 1,547 data validation audits and 358 identity verification audits.

We suspended 1,154 domain names for failing an audit. While the percentage of audits resulting in suspension decreased from the previous year, this is due to the

[1] This number represents the combined total of proactive and reactive data validation and identity verification audits. Some domain names undergo two audits eg: where a domain name holder passes a data validation audit we then carry out an identity verification audit.

on-going refinement of our registration check tool and a broader approach to actively search for more threats and emerging patterns of abuse while we calibrate the search criteria.

In addition, through our IWF membership, 344 URLs associated with one domain name were taken down, enabling us to continue to disrupt CSAM and meet this measure.

Table 3: Monitoring and Compliance		
Activity	FY 2024–25	FY 2025–26
Total audits performed	806	1,905
Total number of data validation audits	N/A	1,547
Total number of identity verification audits	N/A	358
Domain names not validated or verified and suspended	618	1,154
IWF URL reports actioned relating to CSAM on .nz domain names	454 (3 domain names)	344 (1 domain name)
Proactive monitoring		
Number of data validation audits	**414**	**1,206**
Outcome: number suspended	353 (85%)	847 (70%)
Number of Identity verification audits:	**40**	**238**
Outcome: number suspended	20 (50%)	101 (42%)
Reactive monitoring		
Number of data validation audits	**261**	**341**
Outcome: number suspended	228 (87%)	161 (47%)
Number of identity verification audits	**91**	**120**
Outcome: number suspended	17	45 (38%)

Investigations and enforcement

During the year, we continued to develop our investigations and enforcement capabilities to effectively enforce the .nz Rules in a fair and transparent way. An investigation will generally only be initiated where our enquiries indicate possible serious or deliberate noncompliance with the .nz Rules, Authorisation Agreement or Connection Agreement, and/or possible serious wrongdoing on the part of the regulated party.

Measure of success

We can demonstrate enforcement of the .nz Rules through our investigations and enforcement activities when likely breaches are identified, either from our proactive activities or through complaints received from other parties.

Outcome

This year, we opened 13 investigations. We also had eight open from the previous financial year at 1 April 2025. We closed 15 investigations and issued six sanctions. As at 31 March 2026, we had six investigations open.

Ensuring a competitive .nz market

One of our core functions is to authorise and remove registrar authorisations. An incorporated body can apply to become a registrar, and if the relevant criteria are met, we will grant that application.

We publish a list of all authorised registrars, their contact details, and information about some of their service offerings on our website so prospective domain name holders can select a registrar that offers the services they require.

We also monitor significant changes to the ownership and control of registrars to ensure that there is still competition in the .nz market and that any change of control is notified to us for consent to the Authorisation Agreement continuing.

There were 71 registrars in the .nz domain name space as of 31 March 2026.

Measure of success

A competitive .nz market can be demonstrated using the Herfindahl-Hirschman Index (HHI). We use the HHI to measure the size of registrars' portfolios relative to the size of the .nz domain names under management.

A market with an HHI of less than 1,500 is considered a competitive marketplace.

Outcome

While the HHI has increased slightly from last year, the .nz registrar market continues to remain competitive, with an HHI of 1090.

Table 4: Ensuring a competitive .nz market

Activity	FY 2024–25	FY 2025–26
New registrars authorised	2	1
Registrars de-registered	2	1
The market HHI is less than 1,500	1,032	1,090

Outreach and engagement

We participate in national and international conferences, engaging with registrars, vendors, and peer ccTLDs to share knowledge and skills so we can identify current or emerging risks.

Our team actively contributes to the activities of the Asia Pacific Top-Level Domain Name Association (APTLD), the Association of European country code top-level domain name registries (CENTR), and the Internet Corporation for Assigned Names and Numbers (ICANN).

We also educate and inform our community about our work through our newsletters.

Measure of success

We continue to benchmark our regulatory activities by engaging with our international counterparts. We actively participate in working groups, plan and present at conference sessions, and meet with other country code top-level domain (ccTLD) peers. This allows us to share knowledge and discuss current and emerging risks while at international conferences.

We engage with the public by publishing at least four (one each quarter) newsletters and two blogs each year, sharing information about DNC's activities, events, conference outcomes, and industry issues.

Outcome

We attended nine conferences and forums, either online or in person, which facilitated engagement with ICANN ccNSO working groups, knowledge and learning opportunities and engagement with peers, registrars and vendors meeting the measure.

We published four newsletters and three blogs, and also increased our newsletter readership to 2,157 subscribers, up from 1,484 last year, meeting the measure.

Table 5: Outreach and engagement

Activity	FY 2024–25	FY 2025–26
Newsletters published	6	4
Newsletter subscribers	1,484	2,157
Informative blogs/announcements published	3 (includes podcast about fake online shops)	3
Conferences or forums attended in person	7	7
Conferences or forums attended online	3	2

Judgements

The decisions about which service performance information to present were made in consultation with key management personnel and the entity's Board.

An analysis of our key activities significantly influenced the judgements about what to report on. These key activities correspond to our functions set out in the Operating Agreement with InternetNZ and the .nz Rules. This report focuses on the key services delivered and measures performance by quantitative measures, such as the number of services provided, qualitative descriptions, and feedback from the people we provide services to.

This report includes new items not reported on in the previous financial year as we continue to review and refine our regulatory processes and reporting capabilities.

This SSP has been prepared in compliance with PBE FRS 48, and forms part of the general financial report/performance report.

This Statement of Service Performance has been authorised for issue by the Board:

Mel Hewitson — 25 Jun 2026

Director — Date

Vivien Maidaborn — 25 Jun 2026

Director — Date

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Independent Auditor's Report

To the Shareholders of the Domain Name Commission Limited

Report on the Audit of the performance report

Opinion

We have audited the performance report of the Domain Name Commission Limited (the "Company") which comprise the financial statements on pages 3 to 18 and the statement of service performance on pages 19 to 29. The complete set of financial statements comprise the statement of financial position as at 31 March 2026, and the statement of comprehensive revenue and expense, statement of changes in net assets, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying performance report presents fairly, in all material respects:

- the financial position of the Company as at 31 March 2026 and its financial performance and its cash flows for the year then ended; and
- the service performance for the year ended 31 March 2026 in that the service performance information is appropriate and meaningful and prepared in accordance with the Company's measurement bases or evaluation methods

in accordance with the Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board ("applicable financial reporting framework").

Basis for Opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard (NZ AS) 1 (Revised) *The Audit of Service Performance Information*. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report. We are independent of the Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interest in, the Company.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the annual report and any external links included in the statement of service performance but does not include the performance report and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the performance report does not cover the other information and we will not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the performance report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the performance report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Those Charged with Governance for the Performance Report

Those charged with governance are responsible on behalf of the Company for:

- the preparation, and fair presentation of the performance report in accordance with applicable financial reporting framework;
- the selection elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with the applicable financial reporting framework;
- the preparation and fair presentation of service performance information in accordance with the Company's measurement bases or evaluation methods, in accordance with the applicable financial reporting framework;
- the overall presentation, structure and content of the service performance information in accordance with the applicable financial reporting framework; and
- such internal control as those charged with governance determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, those charged with governance are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless those charged with governance either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.

A further description of the auditor's responsibilities for the audit of the performance report is located at the External Reporting Board's website at: https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-14-1/.

Restriction on use of our report

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state to them those matters which we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and its shareholders, as a body, for our audit work, this report or for the opinion we have formed.

Grant Thornton New Zealand Audit Limited

Grant Thornton

S Adhau

Director

Wellington

1 July 2026